

# Exhibit F



# Sponsorship Priority Training for BD's



March 2019

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# Agenda



1. What is Sponsorship?
2. How does Sponsorship work?
3. How do we want to setup Sponsorship with the publisher?
4. The Pitch: CDB in Sponsorship - Benefits for Publishers
5. CDB in Sponsorship – Benefits for Criteo
6. Does CDB in Sponsorship serve the best interest of the Publisher?
7. The Most Common Objection and How to Handle
8. Case Studies
9. GSAX Report to find optimal Sponsorship Floor

# What is Sponsorship?



- Inside Google Ad Manager (formerly DFP), Sponsorship is the highest-level priority line item that pubs sell for a **percentage** of requests. This type of advertising is sometimes called "share-of-voice" because the advertiser gets a certain share of the page views on the pubs site.
- Sponsorships are most commonly sold on the basis of cost per thousand impressions (CPM) or cost per day (CPD). GAM/DFP also has CPC pricing available in the user interface, but this is rarely used.
- Pubs can use all of the available targeting criteria; when targeting parameters are put in place, the percentage basis becomes the percentage of matching impressions. For example, if the publisher set a sponsorship campaign to 50% and geo-targeted the UK, the campaign would receive 50% of all impressions in the UK.

Line item type	Priority	Goal
Sponsorship	4	percentage
Standard - high	6	absolute
Standard - normal (DEFAULT)	8	absolute
Standard - low	10	absolute
Preferred deals	*Fixed	unlimited
Network	12	percentage
Bulk	12	absolute
Price priority	12	unlimited
House	16	percentage

\*The Preferred deals line item type has a fixed priority value that ensures it wins ahead of the Open Auction and all other line item types except Sponsorship and Standard line items, including those created under Programmatic Guaranteed.

# How does Sponsorship work?



- Sponsorship line items are served ahead of any other line items and are based on percentage goals.
  - Eg. If the publisher sets the goal to 100% and no other Sponsorship lines target the same inventory, then the Sponsorship line will be served exclusively.
- When a Sponsorship line item **has a percentage goal less than 100%**, line items of lower priority will compete for the remaining percentage of inventory.
  - Eg. If a Sponsorship line item is set to 75%, non-Sponsorship lines can compete for the remaining 25% of impressions.
- If there are **multiple Sponsorship line items** that add up to a percentage goal greater than 100%, the line items will be delivered in a ratio out of 100%.
  - Eg. if the publisher has three Sponsorship line items set to 100% Sponsorship; each will have a 33.33% chance to serve.

Sponsorship	CPM	Booked Percentage	Delivered Percentage
Red	\$20	100%	33.33%
Green	\$95	100%	33.33%
Blue	\$10	100%	33.33%
<b>Total</b>		<b>300%</b>	<b>100%</b>

- **Important: Sponsorship Line items are NOT affected by price**
  - Eg. If Red pays a \$20 CPM, Green pays a \$95 CPM, and Blue pays a \$10 CPM, each partner still has a 33.33% chance to serve the impression.

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# How do we want to setup Sponsorship?

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- The first step is always to talk to your local GSAX to determine the best starting price point for Sponsorship before you pitch your publisher!
- Once there is agreement from the publisher to test Sponsorship at a given price point, how should it look in the wrapper and DFP?

## CDB Standalone

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## CDB Prebid/Index

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# The Pitch: CDB in Sponsorship - Benefits for Publishers



Unlock the highest value Criteo users previously missed due to higher prioritized buyers, such as PMPs or Direct Sold campaigns



Elimination of third-party fees at the highest price points



Criteo provides additional spend to publishers who give Sponsorship access.

## Why does this benefit publishers?

CDB can miss out on high value users that get purchased via privileged, static buyers like Preferred Deals or direct campaigns. By opening access to CDB for those users, publishers can expect to see a large increase in spend via CDB.

SSP fees are based on percentages. Higher auction clearing prices mean more net dollars go to fees. By allowing Criteo to buy **high value** users directly without any middlemen, publishers see the most impact on our ability to spend more directly.

Two reasons- 1.) There is a positive feedback loop in our engine when we're able to access our highest value users. 2.) We want to increase our strategic relationships with top publishers while reducing our reliance on SSPs to access high quality inventory.

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## CDB in Sponsorship - Benefits for Criteo



Sponsorship enables CDB to capture unique value to our advertisers that may have been lost to direct campaigns or a competitor. **Overall, Sponsorship is always positive for Criteo if negotiated appropriately.**

- Sponsorship leads to significantly improved KPI's including:
  - Increased Win Rate
  - Increased Captured Value
  - Increased Yield
- Non-KPI benefits include:
  - We buy users directly, rather than through another SSP and increasing our competitor's share of voice with a publisher
  - We pay the publisher directly with no SSP fees taken out of the clearing price, so publishers will like us more
  - We're able to capture more of our high value users that we may have lost to a competitor or direct campaign
- To summarize, there is always value in gaining Sponsorship because **we are capturing unique value for our advertisers that was previously unavailable**



## Does CDB in Sponsorship serve the best interest of the Publisher?



- **YES, when negotiated properly!**
  - No fees at the highest price points is crucial to adding value to the publisher that is currently going to SSP's. (High price points are where publishers are currently missing the most value.)
  - Our buying engine favors publishers where we can capture our highest value users. Once we see this positive feedback cycle, there's a direct link to Sponsorship and increased bidding across the entire user spectrum for the publisher.
  - Publishers benefit by getting direct access to high quality, reputable brands
    - Our Sponsorship set up functions quite similar to a private marketplace but without the fees
    - Lastly, as a high value, low fill partner, there's no risk of overselling and cannibalizing direct obligations

## The Most Common Objection and How to Handle



- The full deck with more objections is available here: [LINK TO DECK](#).
- Most Common Objection: **"We want a fair competition between all header bidding partners in price priority."**
- **How to handle this:**
  - We understand your reasoning. Do you have any buyers able to purchase inventory ahead of your header bidding partners such as direct campaigns, GFL, or Preferred Deals?
    - If you do, there is significant revenue being left on the table. Why sell impressions at a lower rate to a direct partner or preferred deal than you could make in a fair competition between all buyers?
    - Criteo is a unique buyer in that we bid very high prices for our most valuable users. We may not buy a ton of impressions, but the CPMs are very high.
    - We could increase monetization at high price points with low fill to not threaten your direct sold obligations.
    - What we're pitching is very similar to a preferred deal, only it's set up directly, rather than through the pipes of AdX.

[REDACTED]

[REDACTED]

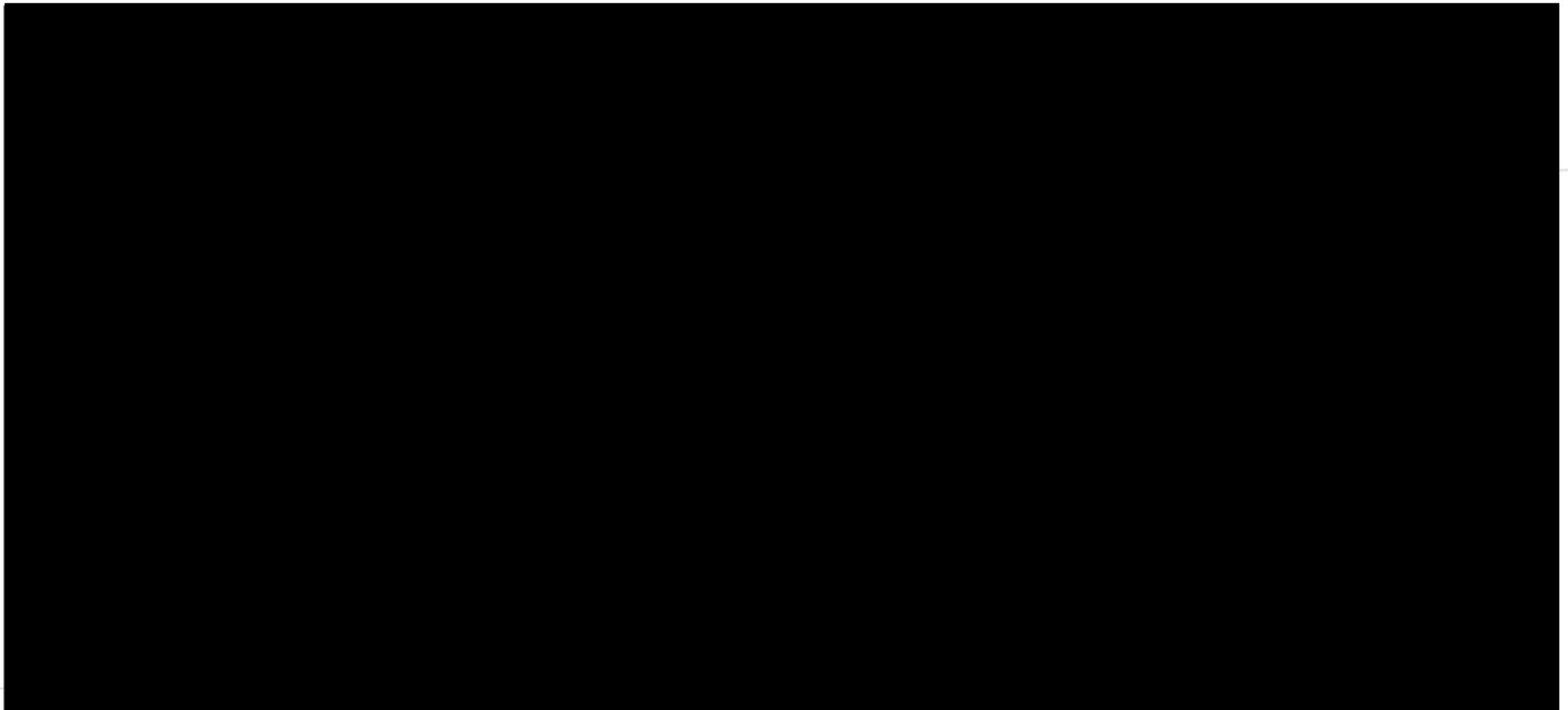
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# GSAX Tool: How to make the case for Sponsorship



- Step 1: Please contact your GSAX for assistance finding an optimal Sponsorship floor for a given placement.
- Step 2: You can start investigating if it's worth proposing Sponsorship by using the below report. For a full overview of how to use this report, please visit <https://confluence.criteois.com/display/SOAX/CP+Sponsorship+Analysis+Dashboard>
- The link to the actual report is here: <https://tableau.criteois.com/#/site/supply/views/CP+SponsorshipAnalysis-Global/SponsorshipAnalysis>

# How to use this report

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# How to use this report



Number	Description	Why It's Useful	How to Use It
1	Total Spend by Format for the Selected Filters	<ul style="list-style-type: none"> <li>The relative sizes of the bars help assess if the format is bringing in enough spend to be worth considering for sponsorship. It also helps orient toward sizes with the most spend, to understand which formats should be prioritized for negotiation and/or diagnosis.</li> </ul>	
2	Share of Voice of Spend by CPM Price Bucket	<ul style="list-style-type: none"> <li>Observe price points where spend share of voice drastically changes. This is usually a pinch of one color, a sharp ascent of one SSP compared to others.</li> <li>Aligning all bidders on paid cpm creates an accurate picture of how SSPs are competing with each other. This mostly corrects for second-price vs. first-price auctions.</li> </ul>	
3	Spend Above / Below Sponsorship Floor: Summary	<ul style="list-style-type: none"> <li>See how much spend is occurring across all SSPs above the selected sponsorship floor. This provides insight on what floor to propose for sponsorship, as well as provide spend information to the client. These bars change dynamically when selecting a new floor.</li> <li>These two bars sum to equal the bar in (1).</li> </ul>	
4	Spend SOV Above / Below Sponsorship Floor	<ul style="list-style-type: none"> <li>This is the percentage of spend by SSP above and below the chosen sponsorship floor.</li> <li>It allows the user to visually identify which SSPs are winning the most above and below Sponsorship</li> </ul>	
5	Spend Above / Below Sponsorship Floor: Details	<ul style="list-style-type: none"> <li>See how much spend is occurring across all SSPs above the selected sponsorship floor. This provides insight on what floor to propose for sponsorship, as well as provide spend information to the client. These numbers change dynamically when selecting a new floor.</li> <li>There are three columns showing 25%, 50%, 75% of the total spend by SSP. This information is useful to quickly estimate the total spend opportunity that CDB could gain above the proposed sponsorship floor.</li> </ul>	

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# Appendix: Detailed Version of The Pitch



1. We always pay exactly what we bid, therefore reducing the ad tech tax taken out via SSP fees. **Less money towards fees means more money towards publishers.**
  - SSP fees are based on percentages. As auctions clear at higher price points, it follows that the net amount of money being taken out as a fee is higher and higher.
  - CDB in Sponsorship allows us to bid and pay the full bid price of our **highest value users** without any fee being taken out. The result for publishers is CDB spends significantly more at higher price points than we would have via an SSP.
2. We **ensure CDB has access to our highest value users** ahead of any privileged buyers
  - Criteo is a unique buyer in we do not fill a ton of impressions, but we are capable of spending significant amount for our highest value users when we see them. To maximize Criteo's ability to deliver high CPM's, we need to get the opportunity to buy those users before they are sold elsewhere.
  - To use a metaphor: Think of your inventory as a bunch of records in a record store. "Direct sold campaigns" want to buy the records in the store at a flat rate, usually at a fairly high price. Criteo, on the other hand, only cares about buying the "Beatles" albums and we are willing to pay top dollar for them. By setting up Criteo in Sponsorship, we are able to access just the "Beatles" albums and pay more than you would have gotten via a direct campaign.
3. Lastly, **we are going to spend significantly more when we are set up in Sponsorship.**
  - Winning our highest value users will have a positive feedback loop to our engine resulting in more spend to publishers
  - We also want to decrease our reliance on SSP's to access high quality inventory while increasing our strategic relationships with top publishers

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